

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON 25, D.C.

ADDRESS REPLY TO
"U.S. CIVIL SERVICE COMMISSION"
AND REFER TO

FILE R:FWA:enj

AND DATE OF THIS LETTER

November 13, 1959

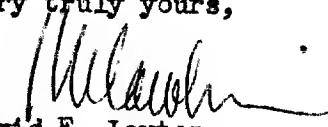
STAT [] President
Government Employees Health Association
Post Office Box 463
Washington 4, D.C.

STAT Dear []

We have received your letter of October 27, 1959 and enclosures, submitted as application for participation under the Federal Employees Health Benefits Program.

We are now in the process of preparing standards for approval of employee organization health benefits plans. As soon as these standards have been formulated and we have had an opportunity to consider the prima facie evidence which you submitted we will write you again.

Very truly yours,


David F. Lawton
Assistant Director

27 October 1959

Mr. David F. Lawton, Assistant Bureau Director
United States Civil Service Commission
Bureau of Retirement and Insurance
Pension Building
5th and G Streets, N. W.
Washington 25, D. C.

Dear Mr. Lawton:

This is in answer to your letter of 13 October 1959 and to qualify Government Employees Health Association under Sections 2(i) and 4(3) of Public Law 86-382, approved 28 September 1959.

The attached copies of our Certificate of Incorporation, By-Laws, and present Master Hospital and Surgical Contract will establish that Government Employees Health Association had a benefit plan in operation on 1 July 1959 and that the plan is available to all active employees of the Agency. Retired employees may convert this policy to an individual one at an increased premium.

We are considering renegotiating the Master Contract so as to be able to offer two levels of contracts. We would appreciate information as to any requirements which the Commission may desire or impose as to minimum or suggested standards.

Within the limitations placed on us by security considerations, we shall be glad to furnish you with any additional information required.

Very truly yours,

[Redacted Signature]

President

Attachments

Distribution:

O-Addressee

1-Mr. [Redacted]

2-BSD

OP/BS [Redacted] eq(27Oct59)

STAT

STAT

STAT

STAT

Approved For Release 2003/12/19 : CIA-RDP86-00964R000100120057-2

Next 2 Page(s) In Document Exempt

Approved For Release 2003/12/19 : CIA-RDP86-00964R000100120057-2

OGC/B-9670

29 October 1959

MEMORANDUM FOR: Director of Personnel

SUBJECT : Letter to Civil Service Commission Re Federal
Employees Health Benefits Act of 1959

STAT 1. I have examined and return herewith the proposed letter from
[redacted] as President of GEHA to the Civil Service Commission on
which you have asked our comments.

2. With reference to the specific point as to whether GEHA or CIA should sign the letter, I believe it appropriate for signature by GEHA. The inquiry to which this is a reply was addressed to GEHA. Further, the Act defines an "employee organization" as one meeting certain standards and "which on or before December 31, 1959 applies to the Commission for approval of a plan." The proposed letter is intended as the application for approval which, under the quoted language, should originate with the employee organization, that is, GEHA.

3. I do have several other suggestions:

a. The Civil Service Commission letter of October 13 and the Act, as noted above, invite an employee organization to apply for approval of a plan. The proposed reply is intended for this purpose, but does not actually apply. We would think it should.

b. The Civil Service Commission letter asks for certain evidence which it says may be in any convenient form, such as brochures, charters, constitutions and by-laws, an affidavit of one of the officers, or all of these. We would think the simplest and most satisfactory evidence would be an affidavit by the president and we are advised by Mr. Ruddock, who signed for the Commission, that he would be satisfied with evidence in that form.

c. The last sentence of paragraph 2 of the proposed reply would appear to have no purpose in this letter.

d. The third paragraph of the proposed reply raises a new subject not responsive to the Civil Service letter and one which we would think might better be handled by a separate letter or inquiry. Additionally, the reference in that paragraph to "two levels of contracts" appears somewhat inaccurate. The language of the Act is "two levels of benefits."

e. The reference in the last paragraph to "limitations placed on us by security considerations" we would think somewhat misleading, that is, GEHA has no security considerations, only CIA does.

f. The reply does not request a certification that the application has been received by December 31, 1959. Since an employee organization is not eligible for the benefits of the Act unless application is made by that date, perhaps it would be well to protect ourselves by requesting a receipt.

4. I attach a suggested redraft to meet the above points.

STAT



Assistant General Counsel

Attachment

OGC/B-9070

29 October 1959

MEMORANDUM FOR: Director of Personnel.

SUBJECT : Letter to Civil Service Commission Re Federal
Employees Health Benefits Act of 1959

STAT 1. I have examined and return herewith the proposed letter from [redacted] as President of GNEA to the Civil Service Commission on which you have asked our comments.

2. With reference to the specific point as to whether GNEA or CIA should sign the letter, I believe it appropriate for signature by GNEA. The inquiry to which this is a reply was addressed to GNEA. Further, the Act defines an "employee organization" as one meeting certain standards and "which on or before December 31, 1959 applies to the Commission for approval of a plan." The proposed letter is intended as the application for approval which, under the quoted language, should originate with the employee organization, that is, GNEA.

3. I do have several other suggestions:

a. The Civil Service Commission letter of October 13 and the Act, as noted above, invite an employee organization to apply for approval of a plan. The proposed reply is intended for this purpose, but does not actually apply. We would think it should.

b. The Civil Service Commission letter asks for certain evidence which it says may be in any convenient form, such as brochures, charters, constitutions and by-laws, an affidavit of one of the officers, or all of these. We would think the simplest and most satisfactory evidence would be an affidavit by the president and we are advised by Mr. Riddock, who signed for the Commission, that he would be satisfied with evidence in that form.

OL 117425-111

1001 7 11 11 11 11

c. The last sentence of paragraph 2 of the proposed reply would appear to have no purpose in this letter.

d. The third paragraph of the proposed reply raises a new subject not responsive to the Civil Service letter and one which we would think might better be handled by a separate letter or inquiry. Additionally, the reference in that paragraph to "two levels of contracts" appears somewhat inaccurate. The language of the Act is "two levels of benefits."

e. The reference in the last paragraph to "limitations placed on us by security considerations" we would think somewhat misleading, that is, OSHA has no security considerations, only CIA does.

f. The reply does not request a certification that the application has been received by December 31, 1959. Since an employee organization is not eligible for the benefits of the Act unless application is made by that date, perhaps it would be well to protect ourselves by requesting a receipt.

4. I attach a suggested redraft to meet the above points.


Assistant General Counsel

STAT

Attachment

Mr. David F. Lawton, Assistant Bureau Director
United States Civil Service Commission
Bureau of Retirement and Insurance
Pension Building
5th and G Streets, N. W.
Washington 25, D. C.

Dear Mr. Lawton:

This is in reply to the letter of October 13, 1959, from the Civil Service Commission addressed to me as President of Government Employees' Health Association.

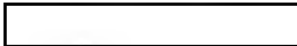
In accordance with the Commission's letter and the provisions of the Federal Employees Health Benefits Act of 1959 (Public Law 86-382), application is made hereby for approval by the Commission under Section 4(3) of the Act of the health benefits plan which is provided by GEHA for its members and their families.

With specific reference to Section 4(3) of the Act and subparagraphs (1)-(4) of page 2 of the Commission's letter, please be advised that GEHA has in operation a health benefits plan open to all employees of the Central Intelligence Agency. Benefits are of the types referred to in Section 5(3) of the Act. The plan is sponsored by GEHA and in whole or substantial part is administered by GEHA. The plan is available only to members of GEHA and to members of their families. GEHA, on July 1, 1959, provided health benefits to its members. My affidavit, in support of these statements, is attached.

If you desire additional information or evidence to enable the Commission to approve the GEHA plan, please call on me.

Receipt and acceptance of this letter as an application within the contemplation of Section 2(i) is respectfully requested.

Very truly yours,



President

STAT

Mr. David F. Lawton, Assistant Bureau Director
United States Civil Service Commission
Bureau of Retirement and Insurance
Pension Building
5th and G Streets, N. W.
Washington 25, D. C.

Dear Mr. Lawton:

This is in reply to the letter of October 13, 1959, from the Civil Service Commission addressed to me as President of Government Employees' Health Association.


In accordance with the Commission's letter and the provisions of the Federal Employees Health Benefits Act of 1959 (Public Law 86-382), application is made hereby for approval by the Commission under Section 4(3) of the Act of the health benefits plan which is provided by GHEA for its members and their families.

With specific reference to Section 4(3) of the Act and subparagraphs (1)-(4) of page 2 of the Commission's letter, please be advised that GHEA has in operation a health benefits plan open to all employees of the Central Intelligence Agency. Benefits are of the types referred to in Section 5(3) of the Act. The plan is sponsored by GHEA and in whole or substantial part is administered by GHEA. The plan is available only to members of GHEA and to members of their families. GHEA, on July 1, 1959, provided health benefits to its members. My affidavit, in support of these statements, is attached.

If you desire additional information or evidence to enable the Commission to approve the GNSA plan, please call on me.

Receipt and acceptance of this letter as an application within the contemplation of Section 2(1) is respectfully requested.

Very truly yours,


President

STAT

UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON 25, D.C.

ADDRESS REPLY TO
"U.S. CIVIL SERVICE COMMISSION"
AND REFER TO

FILE BRI:SP:enj

AND DATE OF THIS LETTER

STAT

[] President
Government Employees Health Association
2430 E Street, N.W.
Washington, D. C.

STAT

Dear []

Public Law 86-382, approved September 28, 1959, provides a health benefits program for Government employees under which the Government will contribute part of the cost. The law permits employees to enroll for health benefits coverage in various plans, including a Government-wide service benefit plan, a Government-wide indemnity benefit plan, certain group- and individual-practice prepayment plans and certain employee-organization plans.

The main purpose of this letter is to call your attention to the most pertinent of the provisions in the law pertaining to employee-organization plans. These provisions are:

"Sec. 2 (i). Employee organization means an association or other organization of employees which--(1) is national in scope or (2) in which membership is open to all employees of a Government department, agency, or independent establishment who are eligible to enroll in a health benefits plan under this Act, and which on or before December 31, 1959 applies to the Civil Service Commission for approval of a plan provided for by section 4 (3) of this Act.

"Sec. 4 (3). Employee Organization Plans--/The Commission may approve/ Employee organization plans...which are sponsored or underwritten, and are administered, in whole or substantial part, by employee organizations, which are available only to persons (and members of their families) who at the time of enrollment are members of the organization, and which on July 1, 1959, provided health benefits to members of the organization."

We do not know all the organizations which sponsor health benefits plans for Federal employees. Therefore, I am using this means of contacting all organizations we know of to alert them to the new law and especially to the December 31, 1959 deadline in section 2 (i).

- 2 -

If we do not hear from you in response to this letter, we will assume that Public Law 86-382 does not affect your organization. However, if your organization sponsors a plan which you believe meets all the requirements mentioned in the above-quoted sections of the law, and if your organization wishes its plan to participate under the health benefits program, I suggest that you apply for approval at an early date.

We are not requiring any formal application. A letter, signed by an appropriate officer of your organization, expressing the intention of your organization's governing body to participate in the program under Public Law 86-382 will suffice. With the letter, we would like you to submit some evidence which will establish your organization's prima facie eligibility to participate.

This evidence may be in any form which is readily available to you, i.e., printed brochures, your charter or constitution and bylaws, or an affidavit of one of your officers, or all of these. The evidence should indicate the composition of your membership (e.g., active civilian employees, retired employees, others) and be sufficient to support a holding that:

- (1) Your organization is national in scope or is open to all employees of an entire department, agency or independent establishment (i.e., not just a branch or bureau or installation or other subdivision);
- (2) Your organization sponsors or underwrites, and, in whole or substantial part, administers its health benefits plan;
- (3) Your organization has a health benefits plan which is available only to persons (and members of their families) who at the time of enrollment are members of the organization; and
- (4) Your organization provided health benefits to its members on July 1, 1959, i.e., had a health benefits plan in operation on July 1, 1959.

We are not at this time necessarily interested in the details of your present health benefits plan, although we would appreciate having them if they are readily available. If you establish your organization's prima facie eligibility to participate in the program, we will contact you concerning the details of your plan or of the plan you expect to offer under the program.

We will, in any case, write you again within 60 days after we hear from you.

- 3 -

If you apply for approval at an early date, your organization will have complied with the December 31, 1959 deadline.

You may address your reply to, or if you have any questions you may call, David F. Lawton, Assistant Bureau Director or Solomon Papperman, Assistant to the Director (DUDley 6-4307) at the

United States Civil Service Commission
Bureau of Retirement and Insurance
Pension Building
5th and G Streets, N. W.
Washington 25, D. C.

For your further information, I am enclosing a copy of Public Law 86-382 and a series of questions and answers about the law.

Sincerely yours,



Andrew E. Ruddock
Director